



JOSEPH R. BIDEN, III  
ATTORNEY GENERAL

DEPARTMENT OF JUSTICE  
820 NORTH FRENCH STREET  
WILMINGTON, DELAWARE 19801

CONTACT JASON MILLER  
PUBLIC INFORMATION OFFICER  
PHONE (302) 577-8949  
CELL (302) 893-8939  
Jason.Miller@state.de.us

## Media Release

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### Delaware Acts to protect patients and taxpayers

**Wilmington, DE** - The Delaware Attorney General's office today announced it has reached a settlement with the pharmacy company Omnicare, Inc. ("Omnicare") to resolve allegations that the company violated state and federal law by switching the dosage strengths and forms of certain medications used by Medicaid patients. As a result of this settlement, Omnicare will pay \$38,182 to the Delaware Medicaid program and will pay a \$76,365 penalty to the state's General Fund.

"We are holding this company accountable for overcharging the Medicaid program as a result of drug switches that it initiated," said Timothy Mullaney, Director of the Attorney General's Fraud and Consumer Protection Division. "The Attorney General's Office will continue to stand up for taxpayers by identifying and weeding out Medicaid fraud."

From April 1, 2000 through December 31, 2005 Omnicare used a "therapeutic interchange program" to aggressively switch patients from brand-name drugs to generic drugs and also switched various forms and strengths of drugs. One stated purpose of the therapeutic interchange program was to lower costs for third-party payers, including Medicaid. However, the Attorney General's Medicaid Fraud Control Unit investigation revealed that as a result of some of these switches the Delaware Medicaid program actually paid more for certain drugs. Specific examples include patient switches by Omnicare:

- from 150 mg and 300 mg ranitidine (generic Zantac) tablets to the equivalent capsules, which caused Medicaid to pay a higher price.
- from 10 mg and 20 mg fluoxetine (generic Prozac) capsules to the equivalent tablets, which caused Medicaid to pay a higher price.
- from 15 mg buspirone (generic Buspar) dosage strength to 7.5 mg dosages, which caused Medicaid to pay a higher price.

Two whistleblowers contributed to the discovery of these violations by Omnicare. This case was prosecuted by Deputy Attorney General Daniel Miller, Director of the Attorney General's Medicaid Fraud Control Unit. The Attorney General's office encourages anyone who may know of possible Medicaid Fraud to call and report it to the **Delaware Medicaid Fraud Control Hotline at (302)577-5000**.

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